

987014W007Cable

North Texas Division
2951 Kinwest Parkway
Irving, TX 75063
(972) 830-3800

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March 31, 2008

VIA FEDERAL EXPRESS OVERNIGHT DELIVERY

Mr. Gerald Urbantke
City of Arlington
101 E. Abram Street
Arlington, TX 76010

Dear Mr. Urbantke:

At Time Warner Cable we're committed to making ourselves the company North Texans choose for their in-home entertainment and information needs.

Since beginning operations in North Texas in August 2006, the North Texas Division of Time Warner Cable has brought investment and innovation to the customers we serve here. We're making vast improvements to our advanced fiber network, enabling us to add additional HD channels, more HD VOD choices, boost Road Runner Internet service speeds, and to launch a truly competitive and affordable phone service called Digital Phone. To improve our customer care experience we've hired an additional 300 professionals to take orders, resolve technical problems and billing issues.

We continue to seek new and innovative ways to serve our customers. Last year we introduced the Price Lock Guarantee, which allows customers to purchase a bundle of services and lock in those rates for up to two years, insulating them from possible price changes in the future.

Effective May 1, 2008, the rates some of our customers are being charged will change. Only a portion of our customers will be affected by these changes. Customers with video-only service and those who subscribe to bundles will notice an increase of between \$1.00 and \$3.00. The majority of our services, Digital Home Phone and Road Runner for example, continue to be offered at the same affordable rate. Some customers will experience no net change to their total monthly subscription charges, although the price allocations to the components of the video package may be adjusted. The changes are as follows:

- Basic service pricing will change from \$14.99 to \$16.95. *The new pricing applies only to those customers whose highest level of video service is basic cable.*
- Expanded Basic service will change from \$29.51 to \$28.00, and the price of Standard Cable (Basic cable + Expanded Basic cable) will go from \$44.50 to \$44.95. *This change affects only those customers whose highest level of video service is standard cable.*
- Digital Cable service will move from \$42.95 to \$43.95. *This change affects only those customers whose highest level of video service is digital cable.*
- HDTV Receiver and Remote will increase from \$7.95 to \$8.95, and the price of DVR Receiver & Remote (dual tuner) will increase from \$12.95 to \$13.95.
- Customers whose Digital Cable package previously included the first converter at a price of \$0.95 will now be charged \$1.95 monthly for the equipment. *(Applies to older legacy packages.)*

The price changes above will be effective May 1, 2008, however some customers currently in a digital package may continue to be charged at rates in effect as of April 30 until further notice (in other words, some customers will experience no changes). Additionally, some customers currently in older digital packages may see varying changes to their rate up to the new effective video price. These package price changes will affect less than half of the customers currently subscribing to a digital package.

Installation prices will also change effective May 1, 2008 and these changes are listed as follows:

- Existing Outlet Installation – 1 product will increase from \$27.95 to \$29.95.
- Existing Outlet Installation – 2 or 3 product will increase from \$37.95 to \$39.95.
- New Outlet Installation – 1 product will increase from \$46.95 to \$49.95.
- New Outlet Installation – 2 or 3 product will increase from \$56.95 to \$59.95.

We are communicating these changes to our customers directly. Customers are being notified of these changes via bill message and a billing insert in their next billing statement.

As always, if you have any questions about this or any other issue, please feel free to contact me directly at (972) 830-3812.

Sincerely,

A handwritten signature in black ink, appearing to read "Dick Kirby". The signature is fluid and cursive, with the first name "Dick" and last name "Kirby" clearly distinguishable.

Dick Kirby
Vice President
Government & Public Affairs